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DIRECTORATE OF INTELLIGENCE

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China: Local Factionalism and Organizational Reform [redacted]

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Summary

The factionalism that continues to trouble many Chinese provinces will impede the efforts of recent provincial appointees to improve central control of local politics and facilitate implementation of reforms. Although today's factionalism is fundamentally different in scope and scale from that of the Cultural Revolution, the factions generally are direct descendants of that period. We view the coming party rectification as a principal motive behind the current media emphasis on the problem; initial guidelines name "factionalists" as a main target of the purge. [redacted]

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There is little doubt that the rectification itself will be used as a weapon by dominant local groups in factional infighting. Newly appointed local leaders will be forced to work within the framework of local politics, forming new ruling coalitions by choosing sides among contending groups, and consequently restricting the reach of rectification to political losers. The time consuming process of building new coalitions will almost certainly cause other reform initiatives to suffer. [redacted]

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A Problem of Increasing Immediacy

A recent flurry of articles in the national and local media has called attention to the continuing problem of local

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factionalism. On 22 March, for example, People's Daily published a remarkably candid article indicating Beijing's anxiety that local factionalism will undermine the reform effort and impede the coming party rectification. Its author, Li Qiming, was for six years a secretary on Yunnan's party committee (eventually rising to the province's second highest post) and before the Cultural Revolution a Shaanxi party leader. Both provinces have a history of turbulent, faction-ridden politics. [redacted]

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Although Li asserts that factionalism has been on the wane since the Cultural Revolution, his catalogue of criticisms suggests the dimensions of the continuing problem. From Li's discussion, it is clear that:

- Factional alignments are still critical in personnel matters, and despite Beijing's best efforts, people are often appointed to posts on the basis of their factional support rather than their professional merit. Competing factions often seek to maintain local political equilibrium by agreeing to paired appointments that create numerical parity within organizations.
- Factional alignments forged during the Cultural Revolution continue to operate and determine friends or foes, regardless of their policy views. Officials who should have been dismissed long ago for enormities committed during the Cultural Revolution have been able to hang on to power through the "old boy network" of factions.
- Issues are of purely secondary or instrumental importance; the real differences between factions are over personalities and old political scores. As a result, factional infighting turns on the strategic disclosure of sensitive personnel information, rumor-mongering, false accusations, secret caucusing to select allies for office, and summary appointments without reference to superior party organizations.
- Factions continue to seek and receive the support of higher levels officials, up to and including national figures. Patrons and clients both work together to squeeze out "strangers" and promote "acquaintances."
- Factions refuse to let bygones be bygones. The attention devoted to settling old accounts perpetuates an endless cycle of political vendetta that disrupts more urgent undertakings. [redacted]

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Factionalism in Action

We cannot make a firm judgment about the degree of factionalism in all the provinces, but we are convinced the problem exists to some extent in all of them. Factionalism is certainly not as violent or as disruptive as it was during the

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late 1960s and early 1970s--armed clashes between rivals seem to be a thing of the past--yet there is little doubt in our mind that it frequently inhibits Beijing's ability to implement its program. [REDACTED]

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Events in Yunnan demonstrate how factional interests can coopt national policies and turn them to their own ends.

[REDACTED] in Yunnan, a recent trial of Red Guard remnants there--which was heralded in the press as a reformist victory--was actually the result of moves by one faction, whose members now hold the upper hand, against rivals from the Cultural Revolution. The dominant faction was able to use the current campaign against those guilty of Cultural Revolution excesses--which certainly includes both groups--to remove factional rivals who had managed to retain posts in Yunnan; arrests of "factionalists" continue. [REDACTED]

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Patron-client networks are important even to reform-minded officials supposedly trying to overcome reliance on them. For instance, Guangdong Party Secretary Lin Ruo, one of Premier Zhao Ziyang's fair-haired boys, has used his new position to protect the jobs of older cadre with whom he has personal connections and who should, according to reform guidelines, be retired. [REDACTED]

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Fujian, for centuries a fractious province, illustrates the problems a new party boss faces as an outsider dealing with securely lodged local factions. Xiang Nan, a close associate of Hu Yaobang, was appointed first secretary two years ago with a mandate to bring the province, one of the most faction-ridden and violent during the Cultural Revolution, into line after another candidate, a native Fujianese, declined the job. Xiang was confronted with an array of factions, some of which dated from before 1949. [REDACTED]

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Xiang's efforts were further frustrated by the effective tactics of two factions who joined forces to oppose implementation of many local reforms. Some factions have more at stake than local political power; enmity in Fujian still is so bitter that some people harbor fears of physical reprisal and seek protection through numbers in factions. [REDACTED]

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In a clear demonstration of the way in which a reform-minded leader can find himself captured by the factional process, Xiang Nan ultimately split one faction by striking a deal with some of its members. He also felt compelled to rehabilitate a wing of one faction (the Blacks) to offset the power of another (the

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Reds). The Black faction is now reported to be gathering evidence of Cultural Revolution misdeeds and corruption to use against the Reds in the coming party rectification campaign. The Blacks were as guilty of Cultural Revolution excesses as the Reds but, given their currently favored position, can subvert the national campaign to their own purposes. [redacted]

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Working the System: Problems Ahead

For centuries the normal Chinese bureaucratic practice has been to get things done through "personal relations" (guanxi), and Beijing's current efforts to create strong institutions and clear lines of authority have done little to supplant what remains the rule of individually powerful men. Factions are a natural upshot of guanxi, and, as the case of Fujian illustrates, newly appointed local leaders will continue to require the cooperation of indigenous (and well entrenched) officials to execute their responsibilities. The problem for Beijing is not to dissolve the local networks--an unrealistic undertaking--but to ensure they work to further central policies. [redacted]

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Beijing has sought to secure policy compliance generally by concentrating on problems within the upper leadership strata at both central and provincial levels and has relied upon personnel changes to have a trickle-down effect on problems at lower levels. The national leadership will continue its attempts to resolve particularly difficult situations by direct intervention--imposing hand-picked administrators, dispatching trouble-shooting investigatory teams, and imposing by directive its own solutions. [redacted]

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In addition, Beijing has placed greater emphasis on standards of official conduct (including criminal sanctions) and the strengthening of local party watchdog organs. The steady drumbeat of media criticism from the central propaganda apparatus may also help central's provincial agents to control the more egregious aspects of factionalism. [redacted]

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The coming party rectification is almost certainly a principal motive behind the current media emphasis on factionalism. Beijing intends the purge to clear the lowest administrative levels of Cultural Revolution remnants and other officials whom it deems unsuitable for leadership posts, and, according to initial guidelines, "factionalists" are a main target. [redacted]

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There can be little doubt, however, that the rectification will serve as a weapon of dominant local groups in factional infighting. In our judgment, contending factions will vie for influence within new leadership constellations, each seeking to skew the focus of the rectification to its own advantage. The persistently reasserted pattern of guanxi politics suggests that local leaders will be forced to choose between groups and thereby work within the framework of local politics to promote Beijing's

policies. The taking of sides will consequently blunt the rectification effort, largely by restricting its reach to losers in local factional infighting. [REDACTED]

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Although it is ostensibly to Beijing's advantage for new leaders to ally with local factions, the new ruling coalitions in our judgment will form only slowly, and until the local political situation is clarified, policy initiatives are likely to falter. Considering Chinese precedent, delays may well rob Beijing's other political and economic reforms of their momentum, which will be difficult for new leadership teams to recapture. Another embarrassing effect that new leading groups may generate is the intensification of factional strife as local groups compete for influence with newly arrived officials. [REDACTED]

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